

HOUSE \_\_\_\_\_ AMENDMENT NO. \_\_\_\_

Offered By

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\_\_\_\_\_  
1 AMEND House Committee Substitute for Senate Substitute for Senate  
2 Committee Substitute for Senate Bill No. 0210, Page 55, Section  
3 137.071, Line 24 by inserting after all of said line the  
4 following:  
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6 "Section A. Section 137.078, RSMo, is repealed and three new  
7 sections enacted in lieu thereof, to be known as sections  
8 137.078, 137.079, and 137.122, to read as follows:

9 137.078. 1. For purposes of this section, the following  
10 terms shall mean:

11 (1) "Analog equipment", all depreciable items of tangible  
12 personal property that are used directly or indirectly in  
13 broadcasting television shows [and], radio programs, or  
14 commercials through the use of analog technology, including  
15 studio broadcast equipment, transmitter and antenna equipment,  
16 and broadcast towers;

17 (2) "Applicable analog fraction", a fraction, the numerator  
18 of which is the total number of analog television sets in the

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Action Taken \_\_\_\_\_

Date \_\_\_\_\_

1 United States for the immediately preceding calendar year and the  
2 denominator of which is an amount representing the total combined  
3 number of analog and digital television sets in the United States  
4 for the immediately preceding calendar year. The applicable  
5 analog fraction will be determined on an annual basis by the  
6 Missouri Broadcasters Association;

7 (3) "Applicable analog percentage", the following  
8 percentages for the following years:

9 Year	2004	2005	2006	2007
10 of Acquisition	Tax Year	Tax Year	Tax Year	Tax Year
11				1%
12 2006				1%
13 2005			25%	1%
14 2004		50%	25%	1%
15 2003	75%	50%	25%	1%
16 2002	75%	50%	25%	1%
17 2001	75%	50%	25%	1%
18 2000	75%	50%	25%	1%
19 1999	75%	50%	25%	1%
20 1998	75%	50%	25%	1%
21 Prior	75%	50%	25%	1%;

22 (4) "Applicable digital fraction", a fraction, the  
23 numerator of which is the total number of digital television sets  
24 in the United States for the immediately preceding calendar year  
25 and the denominator of which is an amount representing the total  
26 combined number of analog and digital television sets in the

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Action Taken \_\_\_\_\_

Date \_\_\_\_\_

1 United States for the immediately preceding calendar year. The  
2 applicable digital fraction will be determined on an annual basis  
3 by the Missouri Broadcasters Association;

4 (5) "Broadcast towers", structures with a function that  
5 includes holding television or radio broadcasters' antennae,  
6 repeaters, or translators at the height required or needed to  
7 transmit over-the-air signals or enhance the transmission of the  
8 signals. This term also includes the structures at least  
9 partially used by television broadcasters or radio broadcasters  
10 to provide weather radar information to the public. For property  
11 tax assessment purposes, broadcast towers are classified as  
12 tangible personal property;

13 (6) "Digital equipment", all depreciable items of tangible  
14 personal property that are used directly or indirectly in  
15 broadcasting television shows [and], radio programs, or  
16 commercials through the use of digital technology, including  
17 studio broadcast equipment, transmitter and antenna equipment,  
18 and broadcast towers;

19 (7) "Radio broadcasters", all businesses that own, lease,  
20 or operate radio broadcasting stations that transmit radio shows  
21 and commercials and that are required to be licensed by the  
22 Federal Communications Commission to provide such services;

23 (8) "Radio broadcasting equipment", both analog equipment  
24 and digital equipment;

25 [(6)] (9) "Television broadcasters", all businesses that  
26 own, lease, or operate television broadcasting stations that

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Action Taken \_\_\_\_\_

Date \_\_\_\_\_

1 transmit television shows and commercials and that are required  
2 to be licensed by the Federal Communications Commission to  
3 provide such services;

4 ~~[(7)]~~ (10) "Television broadcasting equipment", both analog  
5 equipment and digital equipment;

6 (11) "Transmitter and antenna equipment", equipment with  
7 functions that include transmitting signals from broadcast  
8 studios by increasing the power, tuning signals to the frequency  
9 allowed by regulatory authorities, and broadcasting signals to  
10 the public for television broadcasters or radio broadcasters;

11 (12) "Studio broadcast equipment", studio equipment that  
12 receives, produces, modifies, controls, measures, modulates, adds  
13 to or subtracts from, or enhances signals in the process that  
14 results in over-the-air signals for television broadcasters or  
15 radio broadcasters.

16 2. In response to recent action by the Federal  
17 Communications Commission, as described by the commission in the  
18 fifth report and order, docket number 97-116, for purposes of  
19 assessing all items of television broadcasting equipment that are  
20 owned and used by television broadcasters for purposes of  
21 broadcasting television shows and commercials:

22 (1) The true value in money of all analog equipment shall  
23 be determined by depreciating the historical cost of such  
24 property using the depreciation tables provided in subdivision  
25 (1) of subsection 3 of this section and multiplying the results  
26 by the applicable analog percentage. The result of the second

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Action Taken \_\_\_\_\_

Date \_\_\_\_\_

computation is multiplied by the applicable analog fraction to determine the true value in money of the analog equipment; and

(2) The true value in money of all digital equipment shall be determined by depreciating the historical cost of such property using the depreciation tables provided in subdivision (2) of subsection 3 of this section and multiplying the results by the applicable digital fraction to determine the true value in money of the digital equipment.

3. For purposes of subsection 2 of this section, the depreciation tables for determining the [fair] true value in money of television broadcasting equipment are as follows:

(1) For analog equipment, the following depreciation tables will apply for the following years:

Year of Acquisition	2004 Tax Year	2005 Tax Year	2006 Tax Year	2007 Tax Year
2006				65%
2005			65%	45%
2004		65%	45%	30%
2003	65%	45%	30%	20%
2002	45%	30%	20%	10%
2001	30%	20%	10%	5%
2000	20%	10%	5%	5%
1999	10%	5%	5%	5%
1998	5%	5%	5%	5%
Prior	5%	5%	5%	5%;

(2) For digital equipment, the following depreciation

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Action Taken \_\_\_\_\_

Date \_\_\_\_\_

tables will apply for the following years:

	2004	2005	2006	2007
Year of Acquisition	Tax Year	Tax Year	Tax Year	Tax Year
2006				65%
2005			65%	45%
2004		65%	45%	30%
2003	65%	45%	30%	20%
2002	45%	30%	20%	10%
2001	30%	20%	10%	5%
2000	20%	10%	5%	5%
1999	10%	5%	5%	5%
1998	5%	5%	5%	5%
Prior	5%	5%	5%	5%.

4. Beginning January 1, 2008, for purposes of assessing all items of television broadcasting equipment that are owned and used by television broadcasters for purposes of broadcasting television shows and commercials, the following depreciation tables will be used to determine their true value in money. The percentage shown for the first year shall be the percentage of the original cost used for January first of the year following the year of acquisition of the property, and the percentage shown for each succeeding year shall be the percentage of the original cost used for January first of the respective succeeding year as follows:

<u>Year</u>	<u>Studio Broadcast</u>	<u>Transmitter and</u>	<u>Broadcast Tower</u>
<u>_____</u>	<u>Equipment</u>	<u>Antenna Equipment</u>	<u>_____</u>

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Action Taken \_\_\_\_\_

Date \_\_\_\_\_

1	<u>1</u>	65%	<u>91%</u>	<u>96%</u>
2	<u>2</u>	45%	<u>82%</u>	<u>93%</u>
3	<u>3</u>	30%	<u>73%</u>	<u>89%</u>
4	<u>4</u>	20%	<u>64%</u>	<u>86%</u>
5	<u>5</u>	10%	<u>55%</u>	<u>82%</u>
6	<u>6</u>	5%	<u>46%</u>	<u>79%</u>
7	<u>7</u>		<u>37%</u>	<u>75%</u>
8	<u>8</u>		<u>28%</u>	<u>72%</u>
9	<u>9</u>		<u>19%</u>	<u>68%</u>
10	<u>10</u>		<u>10%</u>	<u>65%</u>
11	<u>11</u>			<u>61%</u>
12	<u>12</u>			<u>58%</u>
13	<u>13</u>			<u>54%</u>
14	<u>14</u>			<u>51%</u>
15	<u>15</u>			<u>47%</u>
16	<u>16</u>			<u>44%</u>
17	<u>17</u>			<u>40%</u>
18	<u>19</u>			<u>33%</u>
19	<u>20</u>			<u>30%</u>
20	<u>21</u>			<u>27%</u>
21	<u>22</u>			<u>24%</u>
22	<u>23</u>			<u>21%</u>
23	<u>24</u>			<u>18%</u>
24	<u>25</u>			<u>15%.</u>

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26 Television broadcasting equipment in all recovery periods shall

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Action Taken \_\_\_\_\_

Date \_\_\_\_\_

continue in subsequent years to have the depreciation percentage last listed in the appropriate column so long as it is owned or held by the taxpayer.

5. Effective January 1, 2006, for purposes of assessing all items of radio broadcasting equipment that are owned and used by radio broadcasters for purposes of broadcasting radio programs and commercials, the following depreciation tables will be used to determine their true value in money. The percentage shown for the first year shall be the percentage of the original cost used for January first of the year following the year of acquisition of the property, and the percentage shown for each succeeding year shall be the percentage of the original cost used for January first of the respective succeeding year as follows:

<u>Year</u>	<u>Studio Broadcast</u>	<u>Transmitter and</u>	<u>Broadcast Tower</u>
<u>Equipment</u>	<u>Antenna Equipment</u>		
<u>1</u>	<u>65%</u>	<u>91%</u>	<u>96%</u>
<u>2</u>	<u>45%</u>	<u>82%</u>	<u>93%</u>
<u>3</u>	<u>30%</u>	<u>73%</u>	<u>89%</u>
<u>4</u>	<u>20%</u>	<u>64%</u>	<u>86%</u>
<u>5</u>	<u>10%</u>	<u>55%</u>	<u>82%</u>
<u>6</u>	<u>5%</u>	<u>46%</u>	<u>79%</u>
<u>7</u>		<u>37%</u>	<u>75%</u>
<u>8</u>		<u>28%</u>	<u>72%</u>
<u>9</u>		<u>19%</u>	<u>68%</u>
<u>10</u>		<u>10%</u>	<u>65%</u>
<u>11</u>			<u>61%</u>

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Action Taken \_\_\_\_\_

Date \_\_\_\_\_



1	<u>12</u>	<u>58%</u>
2	<u>13</u>	<u>54%</u>
3	<u>14</u>	<u>51%</u>
4	<u>15</u>	<u>47%</u>
5	<u>16</u>	<u>44%</u>
6	<u>17</u>	<u>40%</u>
7	<u>19</u>	<u>33%</u>
8	<u>20</u>	<u>30%</u>
9	<u>21</u>	<u>27%</u>
10	<u>22</u>	<u>24%</u>
11	<u>23</u>	<u>21%</u>
12	<u>24</u>	<u>18%</u>
13	<u>25</u>	<u>15%.</u>

14

15 Radio broadcast equipment in all recovery periods shall continue  
16 in subsequent years to have the depreciation percentage last  
17 listed in the appropriate column so long as it is owned or held  
18 by the taxpayer.

19 137.079. Prior to setting its rates or rates as required by  
20 section 137.073, each taxing authority shall exclude from its  
21 total assessed valuation seventy-two percent of the total amount  
22 of assessed value of business personal property that is subject  
23 to an appeal at the state tax commission or in a court of  
24 competent jurisdiction in this state. This exclusion shall only  
25 apply to the portion of the assessed value of business personal  
26 property that is disputed in the appeal, and shall not exclude

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Action Taken \_\_\_\_\_

Date \_\_\_\_\_

1 any portion of the same property that is not disputed. If the  
2 taxing authority uses a multi-rate approach as provided in  
3 section 137.073, this exclusion shall be made from the personal  
4 property class. The state tax commission shall provide each  
5 taxing authority with the total assessed value of business  
6 personal property within the jurisdiction of such taxing  
7 authority for which an appeal is pending no later than August 20  
8 of each year. Whenever any appeal is resolved, whether by final  
9 adjudication or settlement, and the result of the appeal causes  
10 money to be paid to the taxing authority, the taxing authority  
11 shall not be required to make an additional adjustment to its  
12 rate or rates due to such payment once the deadline for setting  
13 its rates, as provided by this chapter, has passed in a taxable  
14 year, but shall adjust its rate or rates due to such payment in  
15 the next rate setting cycle to offset the payment in the next  
16 taxable year. For the purposes of this section, the term  
17 "business personal property", means tangible personal property  
18 which is used in a trade or business or used for production of  
19 income and which has a determinable life of longer than one year  
20 except that supplies used by a business shall also be considered  
21 business personal property, but shall not include livestock, farm  
22 machinery, property subject to the motor vehicle registration  
23 provisions of chapter 301, RSMo, property subject to the tables  
24 provided in section 137.078, or property assessed by the state  
25 tax commission under chapters 151, 153, and 155, RSMo, section  
26 137.022, and sections 137.1000 to 137.1030."; and

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Action Taken \_\_\_\_\_

Date \_\_\_\_\_

Further amend said bill, Section 137.122, Pages 59 to 62, Lines 1 to 94 by deleting all of said lines and inserting in lieu thereof the following:

"137.122. 1. As used in this section, the following terms mean:

(1) "Business personal property", tangible personal property which is used in a trade or business or used for production of income and which has a determinable life of longer than one year except that supplies used by a business shall also be considered business personal property, but shall not include livestock, farm machinery, grain and other agricultural crops in an unmanufactured condition, property subject to the motor vehicle registration provisions of chapter 301, RSMo, property assessed under section 137.078, or property assessed by the state tax commission under chapters 151, 153, and 155, RSMo, section 137.022, and sections 137.1000 to 137.1030;

(2) "Class life", the class life of property as set out in the federal Modified Accelerated Cost Recovery System life tables or their successors under the Internal Revenue Code as amended;

(3) "Economic or functional obsolescence", a loss in value of personal property above and beyond physical deterioration and age of the property. Such loss may be the result of economic or functional obsolescence or both;

(4) "Original cost", the price the current owner, the taxpayer, paid for the item without freight, installation, or

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Action Taken \_\_\_\_\_

Date \_\_\_\_\_

1 sales or use tax. In the case of acquisition of items of  
2 personal property as part of an acquisition of an entity, the  
3 original cost shall be the historical cost of those assets  
4 remaining in place and in use and the placed in service date  
5 shall be the date of acquisition by the entity being acquired;

6 (5) "Placed in service", property is placed in service when  
7 it is ready and available for a specific use, whether in a  
8 business activity, an income-producing activity, a tax-exempt  
9 activity, or a personal activity. Even if the property is not  
10 being used, the property is in service when it is ready and  
11 available for its specific use;

12 (6) "Recovery period", the period over which the original  
13 cost of depreciable tangible personal property shall be  
14 depreciated for property tax purposes and shall be the same as  
15 the recovery period allowed for such property under the Internal  
16 Revenue Code.

17 2. To establish uniformity in the assessment of depreciable  
18 tangible personal property, each assessor shall use the  
19 standardized schedule of depreciation in this section to  
20 determine the assessed valuation of depreciable tangible personal  
21 property for the purpose of estimating the value of such property  
22 subject to taxation under this chapter.

23 3. For purposes of this section, and to estimate the value  
24 of depreciable tangible personal property for mass appraisal  
25 purposes, each assessor shall value depreciable tangible personal  
26 property by applying the class life and recovery period to the  
27 original cost of the property according to the following  
28 depreciation schedule. The percentage shown for the first year

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Action Taken \_\_\_\_\_

Date \_\_\_\_\_

shall be the percentage of the original cost used for January first of the year following the year of acquisition of the property, and the percentage shown for each succeeding year shall be the percentage of the original cost used for January first of the respective succeeding year as follows:

Year	Recovery Period in Years					
	3	5	7	10	15	20
1	75.00	85.00	89.29	92.50	95.00	96.25
2	37.50	59.50	70.16	78.62	85.50	89.03
3	12.50	41.65	55.13	66.83	76.95	82.35
4	5.00	24.99	42.88	56.81	69.25	76.18
5		10.00	30.63	48.07	62.32	70.46
6			18.38	39.33	56.09	65.18
7			10.00	30.59	50.19	60.29
8				21.85	44.29	55.77
9				15.00	38.38	51.31
10					32.48	46.85
11					26.57	42.38
12					20.67	37.92
13					15.00	33.46
14						29.00
15						24.54
16						20.08
17						20.00

Depreciable tangible personal property in all recovery periods shall continue in subsequent years to have the depreciation factor last listed in the appropriate column so long as it is

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Action Taken \_\_\_\_\_

Date \_\_\_\_\_

1 owned or held by the taxpayer. The state tax commission shall  
2 study and analyze the values established by this method of  
3 assessment and in every odd-numbered year make recommendations to  
4 the joint committee on tax policy pertaining to any changes in  
5 this methodology, if any, that are warranted.

6 4. Such estimate of value determined under this section  
7 shall be presumed to be correct for the purpose of determining  
8 the true value in money of the depreciable tangible personal  
9 property, but such estimation may be disproved by substantial and  
10 persuasive evidence of the true value in money under any method  
11 determined by the state tax commission to be correct, including,  
12 but not limited to, an appraisal of the tangible personal  
13 property specifically utilizing generally accepted appraisal  
14 techniques, and contained in a narrative appraisal report in  
15 accordance with the Uniform Standards of Professional Appraisal  
16 Practice or by proof of economic or functional obsolescence or  
17 evidence of excessive physical deterioration. For purposes of  
18 appeal of the provisions of this section, the salvage or scrap  
19 value of depreciable tangible personal property may only be  
20 considered if the property is not in use as of the assessment  
21 date.

22 5. This section shall not apply to business personal  
23 property placed in service before January 2, 2006.”; and

24  
25 Further amend said bill by amending the title, enacting clause,  
26 and intersectional references accordingly.

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Action Taken \_\_\_\_\_

Date \_\_\_\_\_